



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

March 31, 2004

Russell A. Larsen
Lakeview Rock Products, Inc.
900 North Redwood Road
P.O. Box 540700
Salt Lake City, Utah 84054-0700

Subject: Acceptance of Transitional Reclamation Surety, Lakeview Rock Products, Inc., Lakeview Quarry, M/035/020, Salt Lake County, Utah

Dear Mr. Larsen:

On March 29, 2004, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of Lakeview Rock Products, Inc.'s transitional reclamation surety for the Lakeview Quarry. The \$100,000 transitional reclamation surety is in the form of a surety bond issued by Travelers Casualty and Surety Company of America. Copies of the "transitional" Reclamation Contract and surety bond with rider are enclosed for your records

The transitional surety is intended to temporarily cover the anticipated reclamation costs for the current 93.8 acres of disturbance at the Lakeview Quarry mine site. The transitional surety will remain in place until the large mining notice of intention is approved, which must be accomplished prior to a 12 month period (the duration of the transitional contract).

You may continue mining operations within the current 93.8 acre disturbed area footprint. **Please assure that you do not mine or expand beyond this 93.8 acre disturbed area footprint.**

Once we complete the tentative approval process, we will publish our decision to grant tentative approval of this project in the Salt Lake newspapers. **Before the large mine plan can receive final approval, the amount of surety may have to be adjusted accordingly to reflect the final reclamation plan details. At that time we will also request that you provide us with two clean copies of the approved plan, which will be stamped "approved" and one copy returned to you for your records. The revised/adjusted reclamation surety**

Russell A. Larsen
Page 2 of 2
M/035/020
March 31, 2004

and a new Reclamation Contract to cover the entire permitted area must also be submitted to the Division, prior to the end of the 30-day public comment period.

We look forward to completing the review of your large mine notice so we can finalize the permit approval process. Thank you for your help toward this end. Please contact me at (801) 538-5286 or Doug Jensen at 538-5382 if you have any questions regarding this letter.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

DWH:jb
Enclosure
cc: Lynn Pace, w/Encl
O:\M035-SaltLake\M0350020-Lakeview\final\transit-surety-03312004.doc

FORM MR-TRC
RECLAMATION CONTRACT
(SMO - LMO transition)
(Revised April 17, 2001)

DOGM File Number M/035/020

Effective Date March 29, 2004

Other Agency File Number _____

RECEIVED

MAR 24 2004

DIV OF OIL GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

TRANSITIONAL RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

M/035/020

Rock

"MINE LOCATION":

(Name of Mine)
(Description)

LAKEVIEW QUARRY

Located on Highway 89 East of Beck
Street in Salt Lake & Davis Counties.

"DISTURBED AREA":

(Disturbed Acres)
(Legal Description)
(Topographic Map)

93.8

(refer to "Attachment A")

("Attachment C", disturbed area boundary)

"OPERATOR":

(Company or Name)
(Address)

LAKEVIEW ROCK PRODUCTS, INC

900 NORTH REDWOOD ROAD

PO BOX 540700

SALT LAKE CITY UT 84054-0700

801-292-7161

(Phone)

"OPERATOR'S REGISTERED AGENT":

(Name)
(Address)

Russell A. Larson

P.O. Box 540700

NSL, Utah 84054-0700

(Phone)

801-292-7161

OPERATOR'S OFFICER(S):

Glenn E. Hughes
Scott Hughes
Russell A. Larsen

"SURETY":

(Form of Surety - Attachment B)

SURETY BOND

"SURETY COMPANY" (Name)

(Policy or Acct. No.)

TRAVELERS CASUALTY & SURETY CO OF AMERICA

"SURETY AMOUNT":

\$100,000

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between LAKEVIEW ROCK PRODUCTS, INC the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division"). A Reclamation Contract is required under Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules.

WHEREAS, Operator has exceeded the approved five (5) acre threshold for a small mining operation, R647-3-113, and Operator desires to continue mining operations for an "interim" period of not more than 12 months, upon areas already disturbed totaling 93.8 acres. Within 90 days of the filing of this contract and reclamation surety, the operator agrees to file a complete Notice of Intention to Commence Large Mining Operations (Form MR-LMO) describing a detailed mining and reclamation plan for continued operations at this site. An approved Large Mining Notice of Intention must be in place at the end of a 12 month time period following Division receipt of this contract. Any extension of this filing time period will be in writing and at the sole discretion of the Division.

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division.

The approved form and amount of surety is attached hereto as Attachment B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Division in writing. If the form of surety expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the surety, the Operator shall provide a replacement surety in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement surety, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.

3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules including but not limited to, the previously accepted Small Mining Notice, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies 1) that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, and the previously accepted Small Mining Notice, as amended, or 2) until a mining and reclamation plan for a large mining operation has been approved by the Division and the final Reclamation Contract and surety are in place.
6. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
7. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State of Utah, and is in addition to any other rights and authorities the Division and Board have to seek relief from the Operator.
9. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.

10. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an Order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an Order to revoke the Small Mining Notice of Intention, order reclamation, or order forfeiture of the surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract including the Small Mining Notice of Intention, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Lakeview Rock Products, Inc.
Operator Name

By Russell A. Larsen
Authorized Officer (Typed or Printed)

Vice President
Authorized Officer - Position

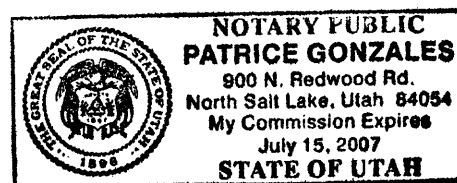
Russell A. Larsen
Officer's Signature

3-23-04
Date

STATE OF Utah)
COUNTY OF Davis) ss:

On the 23 day of March, 2004, Russell A. Larsen
personally appeared before me, who being by me duly sworn did say that he/she is the _____
of Lakeview Rock Products and duly
acknowledged that said instrument was signed on behalf of said company by authority of its
bylaws or a resolution of its board of directors and said company
duly acknowledged to me that said company executed the same.

Patrice Gonzales
Notary Public
Residing at Davis County
7-15-07
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton
Lowell P. Braxton, Director

Date 3/29/04

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 29th day of March, 2004, Lowell P Braxton
personally appeared before me, who being duly sworn did say that he, the said
Lowell P Braxton is the Director of the Division of Oil,
Gas and Mining, Department of Natural Resources, State of Utah, and he duly acknowledged to
me that he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns
Notary Public
Residing at: SLC Utah

April 4, 2005
My Commission Expires:

ATTACHMENT "A"

LAKEVIEW ROCK PRODUCTS, INC
Operator

LAKEVIEW QUARRY
Mine Name

M/035/020
Permit Number

SALT LAKE County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands disturbed is:

Portions of Section 13 and Section 14, Township 1 North, Range 1 West, SLBM.

RECEIVED

MAR 24 2004

DIV OF OIL GAS & MINING

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA *m/0351020*

BOND RIDER

To be attached to and form a part of Transitional Surety Bond 103930589, executed November 25, 2003, by Lakeview Rock Products, Inc., as Principal, and Travelers Casualty and Surety Company of America, as Surety, in favor of the State of Utah, Division of Oil, Gas and Mining, as Obligee.

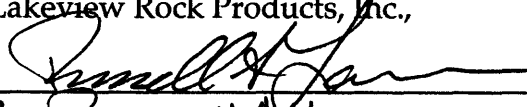
In consideration of the mutual agreements herein contained, the Principal, Surety, and Obligee hereby consent to the following:

The number of "Disturbed Area Acres" shall be increased from 39 acres to 93.8 acres as described in Attachment "A."

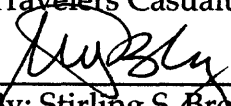
Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated. This rider is effective March 18, 2004.

Signed and sealed the 18th day of March, 2004.

Lakeview Rock Products, Inc.,


By: Russell A. Larson

Travelers Casualty and Surety Company of America


By: Stirling S. Broadhead, Attorney-in-Fact

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062**

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: John R. Barton, Sam W. Clark, Stirling S. Broadhead, of Salt Lake City, Utah, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

ATTACHMENT B

FORM MR-5
(SMO-LMO Transition)
October 30, 2000

Bond Number 103930589
Permit Number M/035/020
Mine Name Lower Pit

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

RECEIVED

NOV 28 2003

DIV. OF OIL, GAS & MINING

THE MINED LAND RECLAMATION ACT

TRANSITIONAL SURETY BOND

The undersigned Lakeview Rock Products, Inc., as Principal, and Travelers Casualty and Surety Company of America, as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of One Hundred Thousand and No/100 Dollars (\$100,000.00).

Principal has estimated that ^{93.846}~~39~~ acres of land is disturbed by mining operation in the State of Utah.

A legal description and a topographic map of the disturbed land are attached as "Attachment A" and "Attachment C" to the Reclamation Contract, of which this document is an integral part.

Unless the Division extends in writing the time period for this bond, the above-described penal sum shall be forfeited if the Principal has not satisfactorily reclaimed the disturbed lands in accordance with the requirements of the Mined Land Reclamation Act, and the rules and regulations adopted in accordance herewith, within one year (365 days) of the effective date of this Surety Bond.

However, the Division may release the surety of its obligations under this bond if: 1) Principal has provided a substitute surety as part of an approved large mine operator permit, which is in the form and amount acceptable to the Division; or 2) Principal has satisfactorily reclaimed the disturbed lands in accordance with the requirements of the Mined Land Reclamation Act, and the rules and regulations adopted in accordance herewith.

The undersigned agrees to limit mining to the present disturbed area until such time as a Notice of Intention to Commence Large Mining Operations can be reviewed and approved by the Division.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Lakeview Rock Products, Inc.
Principal (Permittee)

By: Glenn E. Hughes (Name typed)

President/CEO

Title

Signature

Date

11-26-03

Surety Company

Surety Company Name
Travelers Casualty and Surety
Company of America

Street Address
1100 East 6600 South, Suite 400
Salt Lake City, UT 84121
801-288-1600

Surety Company Officer
Sam W. Clark

Sam W. Clark

Attorney-in-Fact

November 25, 2003

Date

Page 3
MR-5 - (SMO-LMO Transition)
Attachment B
October 30, 2000

Bond Number 103930589
Permit Number M/035/020
Mine Name Lower Pit

SO AGREED this ^{LPS} 29th ^{max. 2004} ~~25th~~ day of ~~November~~, 2003.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

Lowell P. Braxton
Lowell P. Braxton, Director
Utah State Division of Oil, Gas and Mining

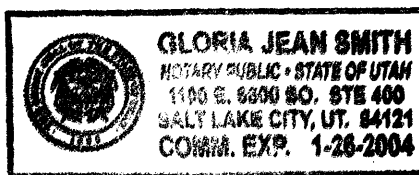
*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

On the 25th day of November, 2003, Sam W. Clark, personally appeared before me, who being by me duly sworn did say that he is the Attorney-in-Fact of Travelers Casualty and Surety Company of America, and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Sam W. Clark duly acknowledged to me that said company executed the same, and that he is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

Subscribed and sworn to before me this 25th day of November, 2003.

STATE OF UTAH
COUNTY OF SALT LAKE



Gloria Jean Smith
Notary Public
Residing at: Salt Lake County, UT

My Commission Expires:

January 26, 20 04

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: **John R. Barton, Sam W. Clark, Stirling S. Broadhead,** of Salt Lake City, Utah, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IMPORTANT DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a short-term program under which the Federal Government will share in the payment of covered losses caused by certain acts of international terrorism. We are providing you with this notice to inform you of the key features of the Act, and to let you know what effect, if any, the Act will have on your premium.

Under the Act, insurers are required to provide coverage for certain losses caused by international acts of terrorism as defined in the Act. The Act further provides that the Federal Government will pay a share of such losses. Specifically, the Federal Government will pay 90% of the amount of covered losses caused by certain acts of terrorism which is in excess of Travelers statutorily established deductible for that year. The Act also caps the amount of terrorism-related losses for which the Federal Government or an insurer can be responsible at \$100,000,000,000.00, provided that the insurer has met its deductible.

Please note that passage of the Act does not result in any change in coverage under the attached policy or bond (or the policy or bond being quoted). Please also note that no separate additional premium charge has been made for the terrorism coverage required by the Act. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium, and is no more than one percent of your premium.